

ORIGINAL

MEMORANDUM
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2012 JUN 25 P 2:54

TO: Docket Control

FROM: Steve M. Olea
Director
Utilities Division

AZ CORP COMMISSION
DOCKET CONTROL

DATE: June 25, 2012

RE: INITIAL DRAFT FOR THE PROPOSED RULEMAKING ON PROCESSING OF
COOPERATIVE UTILITY RATE CASES (DOCKET NO. RU-00000A-12-0270)

Attached is Staff's initial draft for the Proposed Rulemaking on Processing of Cooperative Utility Rate Cases. Staff encourages all interested parties to provide written comments on the draft rules. A new docket has been opened for the purpose of this rulemaking. Please reference Docket No. RU-00000A-12-0270 on all comments.

Please file an original and 13 copies of your comments with the Commission's Docket Control Center, 1200 West Washington Street, Phoenix, Arizona 85007, on or before **July 13, 2012**. This is the unofficial comment period. Staff will review and consider all comments filed before preparing a Notice of Proposed Rulemaking for the Commission's consideration. The current plan is to prepare a Notice of Proposed Rulemaking for consideration at the Commission's Regular Open Meeting in August (currently scheduled for August 14 and 15, 2012). If approved by the Commission, the Notice of Proposed Rulemaking would be filed with and published by the Office of the Secretary of State, at which time the formal comment period would begin. During the formal comment period, an oral proceeding would be held, and interested parties would also have the opportunity to file formal written comments on the Notice of Proposed Rulemaking.

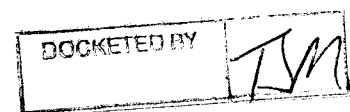
Parties who wish to remain on the service list or be added to the service list in this docket should send notice of their interest, including a mailing address and an e-mail address, to Docket Control. Staff welcomes and appreciates the input of all interested parties in the development of these rules.

SMO:BK:CHH:kdh

Originator: Barbara Keene

Arizona Corporation Commission
DOCKETED

JUN 25 2012



Service List: Rulemaking on Processing of Cooperative Utility Rate Cases
Docket No.: RU-00000A-12-0270

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TITLE 14. PUBLIC SERVICE CORPORATIONS; CORPORATIONS AND ASSOCIATIONS; SECURITIES REGULATION

CHAPTER 2. CORPORATION COMMISSION

FIXED UTILITIES

ARTICLE 1. GENERAL PROVISIONS

Section

- R14-2-103. Defining Filing Requirements in Support of a Request by a Public Service Corporation Doing Business in Arizona for a Determination of the Value of Property of the Corporation and of the Rate of Return Thereon, or in Support of Proposed Increased Rates or Charges
- R14-2-107. Electric or Natural Gas Cooperative Alternative Rate Application Filing Requirements and Process

ARTICLE 1. GENERAL PROVISIONS

R14-2-103. Defining Filing Requirements in Support of a Request by a Public Service Corporation Doing Business in Arizona for a Determination of the Value of Property of the Corporation and of the Rate of Return Thereon, or in Support of Proposed Increased Rates or Charges

A. Purpose and definitions

1. No change
2. No change
3. No change

- a. No change
- b. No change
- c. No change
- d. No change
- e. No change
- f. No change

g. "Filing" -- An application and required schedules, exhibits or other documents filed by a public service corporation to initiate any rate proceeding ~~enumerated in subsection (A)(1) under this Section~~. For all Class A and B utilities and for Class C electric and gas utilities, the filing shall include direct testimony in support of the application. For Class C water, sewer, and telephone utilities and for all Class D and E utilities, the filing shall include a written description of the components of the application. Nothing in this Section shall be construed to prohibit a public service corporation, prior to making a filing, from giving the Commission informal pre-filing notice of its intent to make a filing. Such pre-filing notice would permit the Commission, on a tentative basis, to assign a hearing date and would permit agreement on an appropriate test year.

- h. No change
- i. No change
- j. No change
- k. No change
- l. No change
- m. No change

- n. No change
- o. No change
- p. No change
- q. No change
- r. No change

B. Filing requirements:

1. Information required from Class A, B, C and D utilities ~~except for electric distribution cooperatives whose filing requirements are detailed in subsection (B)(3):~~ The information required to be prepared and submitted by Class A, B, C and D Utilities in conjunction with a filing is presented below. Corresponding schedule formats are contained in the Appendix of this General Order and denoted. These formats are not applicable to Class E utilities. The Appendix schedule formats A-1 through A-5 are a part of this General Order, and the Applicant's schedules should conform to these formats. All other Appendix schedule formats and descriptions are illustrative and the applicant's specific formats may vary from that suggested in the Appendix. The substantive information requested, both on the Appendix schedule and in the body of this General Order, however, must be contained on the applicant's schedules together with the titles and schedule numbers provided in the Appendix. Specific information items requested on the Appendix schedules may be omitted without formal waiver, from the filing where it is evident that said items are not applicable to the applicant's business. The instructions and notes contained on the Appendix schedules shall be followed where applicable. Reconstruction Cost New Depreciated information not filed by the applicant shall be deemed waived.

Information	Filing Required by	Appendix Schedule Reference(s)
A. Summary Information:		
1. A summary of the increase in revenue requirements and the spread of the revenue increase by customer classification.	All classes	A-1
2. A summary of the results of operations for the test year and for the test year and the 2 fiscal years ended prior to the end of the test year, compared with the projected year.	All classes	A-2
3. A summary of the capital structure for the test year and the 2 fiscal years ended prior to the end of the test year, compared with the projected year.	Classes A & B	A-3
4. Construction expenditures and gross utility plant in service for the test year and the 2 fiscal years ended prior to the end of the test year, compared with the projected year.	All classes	A-4

5.	A summary of changes in financial position for the test year and the 2 fiscal years ended prior to the end of the test year, compared with the projected year.	Classes A & B	A-5
B.	Rate Base Information:		
1.	A schedule showing the elements of original cost and RCND rate bases.	All classes	B-1
2.	A schedule listing pro forma adjustments to gross plant in service and accumulated depreciation for the original cost rate base.	All classes	B-2
3.	A schedule showing pro forma adjustments to gross plant in service and accumulated depreciation for the RCND rate base.	All classes	B-3
4.	A schedule demonstrating the determination of reproduction cost new less depreciation at the end of the test period.	All classes	B-4
5.	A schedule showing the computation of working capital allowance.	All classes	B-5
C.	Test Year Income Statements:		
1.	A test year income statement, with pro form adjustments.	All classes	C-1
2.	A schedule showing the detail of all pro forma adjustments.	All classes	C-2
3.	A schedule showing the incremental taxes and other expenses on gross revenues and the computation of an incremental gross revenue conversion factor.	All classes	C-3
D.	Cost of Capital Information:		
1.	A schedule summarizing the elements in the capital structure at the end of the test year and the projected year, their related costs and the computation of the total cost of capital.	All classes	D-1
2.	A schedule showing the detail of long-term and short-term debt at the end of the test year and the projected year and their total cost.	Classes A & B	D-2
3.	A schedule showing the detail of preferred stock at the end of the test year and the projected year, and their total cost.	Classes A & B	D-3
4.	A schedule summarizing conclusions of the required return on the common equity as of the end of the test year and the projected year.	Classes A & B	D-4
E.	Financial Statements and Statistical Data:		
1.	Comparative balance sheets for the end of the test year and the 2 fiscal years ended prior to the end of the test year.	All classes	E-1
2.	Comparative income statements for the test year and the 2 fiscal years ended prior to the end of the test year.	All classes	E-2
3.	Comparative statements of changes in financial position for the test year and the 2 fiscal years ended prior to the end of the test year.	Classes A & B	E-3
4.	Statements of changes in stockholder's equity for the test year and the 2 fiscal years ended prior to the end of the test year.	Classes A & B	E-4
5.	A comparative schedule showing by detail account number, utility plant balances at the end of the test year and the end of prior fiscal year.	All classes	E-5
6.	Comparative departmental statements of operating income for the test year and the 2 fiscal years ended prior to the end of the test year.	All classes of combination utilities	E-6
7.	Comparative operating statistics on customers, consumption, revenues, and expenses for the test year and the 2 fiscal years ended prior to the end of the test year.	All classes	E-7
8.	A comparative schedule of all significant taxes charged to operations for the test year and the 2 fiscal years ended prior to the end of the test year.	All classes except Class D	E-8

9.	Audited financial statements, if available, for the test year and the 2 fiscal years ended prior to the end of the test year. If the financial statements have not been audited, notes to the financial statements should be provided to indicate accounting method, depreciation lives and methods, income tax treatment and other important disclosures.	All classes	E-9
F.	Projections and Forecasts:		
1.	A projected income statement for the projected year compared with actual test year results, at present rates and proposed rates.	All classes	F-1
2.	Projected changes in financial position for the projected year compared with the test year, at present rates and proposed rates.	Classes A & B	F-1
3.	Projected annual construction requirements, by property classification, for 1 to 3 years subsequent to the test year, compared with the test year.	Classes A & B 3 years Classes C & D 1 year	F-3
4.	Important assumptions used in preparing forecasts and projections.	All classes	F-4
G.	Cost of Service Information		
	A utility shall submit cost of service analyses and studies if all of the following conditions prevail:		
1.	The utility is in a segment of the utility industry that recognizes cost of service studies as important tools for rate design.		
2.	Costs incurred by the utility are likely to vary significantly from 1 defined segment of customers to another.		
	A historical accounting period other than the test year may be used for cost of service purposes provided that customer mix in the historical period used is representative of the test year. When a cost of service analysis is required, the following information shall be submitted:		
1.	Schedule showing rates of return by customer classification at present and proposed rates.	Classes A, B and C if applicable	G-1 G-2
2.	Schedules showing the approach used in allocating or assigning plant and expenses to classes of service and defined functions.	Classes A, B and C if applicable	G-3 G-4 G-5 G-6
3.	Schedules showing the development of all allocation factors used in the all allocation factors used in the cost of service study	Classes A, B and C if applicable	G-7
H.	Effect of Proposed Rate Schedules:		
1.	A comparison of revenues by customer classification or other classification of revenues for the test year, at present and proposed rates.	All classes	H-1
2.	A comparison of revenues by class of service and by rate schedule for the test year, at present and proposed rates.	Classes A & B	H-2
3.	A comparison of present and proposed rate schedules or representative rate schedules.	Class A representative schedules; Classes B, C and D - all schedules	H-3
4.	Typical bill analysis	All classes	H-4
5.	Bill count	All classes	H-5

2. No change

3. ~~Information required from distribution electric cooperatives: The information to be prepared and submitted in support of a filing is as follows: A cooperative, as defined in~~

R14-2-107, may initiate a rate proceeding by preparing and submitting a filing under this Section or, if eligible, by following the requirements of R14-2-107.

- a. ~~—— Rural Electrification Association (REA) Form 7 (pages 1 and 2, revised 10-86; pages 3 through 7, revised 12-83), prepared in accordance with “Instructions for the Preparation of the Financial and Statistical Report, REA Form 7” and REA Bulletin 181-1 “Uniform System of Accounts prescribed for electric borrowers of the Rural Electrification Administration,” dated January 1, 1978, all of which are incorporated by reference and on file in the Office of the Secretary of State and the most recent audit report for the last fiscal year information contained in Form 7.~~
- b. ~~—— If a distribution electric cooperative wishes to have the Reconstruction Cost New value of its utility plant considered in the determination of its Fair Value, the cooperative shall, in addition, submit a schedule similar to Part E of REA Form 7, substituting appropriate Reconstruction Cost New information for Original Cost information required by Part E.~~
- c. ~~—— A bill count for each rate schedule in the format of Schedule H-5.~~
- d. ~~—— A schedule comparing revenues by customer classification for the test year, at present and proposed rates, in the format of Schedule H-1.~~
- e. ~~—— A schedule listing long term debt obligations.~~
- f. ~~—— A schedule of times interest earned ratios (TIER) for each month of the test year, the prior year, and one projected year in the following format:~~

	Test Year	Prior	Projected
	Ending	Year	Year
January			
February			
March			
April			
May			
June			
July			
August			
September			

October

November

December

- ~~g. Nothing in this rule shall be construed to prevent a distribution electric cooperative from filing any additional schedules which it may wish to have considered by the Commission. If applicable, formats suggested in the Appendix schedule formats should be used.~~

4. No change
5. No change
6. No change
7. No change
8. No change
9. No change
 - a. No change
 - b. No change
 - c. No change
 - d. No change
10. No change
11. No change
 - a. No change
 - b. No change
 - i. No change
 - ii. No change
 - iii. No change
 - iv. No change
 - v. No change
 - c. No change
 - d. No change
 - i. No change
 - ii. No change
 - iii. No change
 - iv. No change

- v. No change
- e. No change
 - i. No change
 - ii. No change
- f. No change
- g. No change
- h. No change

Appendix No change

DRAFT

R14-2-107. Electric or Natural Gas Cooperative Alternative Rate Application Filing

Requirements and Process

A. Definitions. In this Section, unless otherwise specified:

1. "Base revenue" means the revenue generated by permanent rates and charges, excluding:
 - a. Revenue generated through adjustor mechanisms, and
 - b. Revenue generated through miscellaneous service charges.
2. "CFC" means the National Rural Utilities Cooperative Finance Corporation.
3. "Commission" means the Arizona Corporation Commission.
4. "Cooperative" means a legal entity that is:
 - a. A domestic corporation or a foreign corporation authorized to transact business in this state;
 - b. Operated as a not-for-profit or non-profit;
 - c. Owned and controlled by its members; and
 - d. Operating as a public service corporation in this state by providing either electric utility services or natural gas utility services, as defined in A.R.S. § 42-5151.
5. "Docket Control" means the organizational unit within the Commission's Hearing Division that accepts, records, and maintains filings.
6. "FERC" means the Federal Energy Regulatory Commission.
7. "File" means to submit to Docket Control, with the required number of copies and in an acceptable format, for recording under an appropriate docket number.
8. "Full permanent rate case decision" means a Commission decision:
 - a. Issued on an application filed under R14-2-103 and not under this Section,
 - b. In which the Commission ascertained the fair value of a public service corporation's property within Arizona and established a schedule of rates and charges for the public service corporation's provision of utility services within Arizona, and
 - c. Not issued under A.R.S. § 40-252.
9. "Non-price tariff change" means modification of one or more tariff provisions, either through altering existing tariff language or adding new tariff language, in a manner that substantively alters a requirement other than a rate or charge.
10. "Rate schedule" means a schedule of rates and conditions for a specific classification of customer or for other specific services.

11. “Rate structure change” means any of the following:

- a. Introduction of a new rate schedule;
- b. Elimination of an existing rate schedule;
- c. A change in base revenue generated by any one rate class greater than 150% of the overall base revenue increase;
- d. A change greater than 25% in the customer charge within a rate schedule for residential customers; or
- e. A change in the rate blocks or the percentage relationship of the prices among rate blocks.

12. “RUS” means United States Department of Agriculture, Rural Utilities Service.

13. “Staff” has the same meaning as in R14-2-103.

14. “Test year” means the one-year historical period used in determining rate base, operating income, and rate of return, which shall have an ending date within 9 months before the filing date for a rate application under this Section and shall include at least six months during which a cooperative’s current rates and charges were in effect.

15. “Timely” means in the manner and before the deadline prescribed in this Section.

B. Eligibility Requirements. A cooperative may file and pursue a rate application under this Section rather than R14-2-103 if all of the following eligibility requirements are met:

1. The cooperative is classified as a Class A, B, or C utility under R14-2-103(A)(3)(q);
2. A full permanent rate case decision for the cooperative has been issued within the 120-month period immediately preceding the filing of the cooperative’s rate application;
3. The cooperative has not filed a rate application under this Section within the 12 months immediately preceding the filing of the cooperative’s rate application;
4. The cooperative’s rate application is the first, second, or third rate application filed by the cooperative under this Section since its last full permanent rate case decision was issued;
5. The cooperative is required by law or contract to make a certified annual financial and statistical report to a federal agency, such as RUS or FERC, or an established national non-profit lender that specializes in the utility industry, such as CFC or CoBank.
6. The test year used in the cooperative’s rate application complies, without waiver, to the definition of a test year in subsection (A);
7. The cooperative’s rate application includes audited financials for a period ending no more than 9 months before the beginning of the test year;

8. The cooperative's rate application does not propose an increase in total base revenue amounting to more than 6% of the actual test year total base revenue;
9. The cooperative's rate application uses its original cost rate base as its fair value rate base;
10. The cooperative's rate application proposes only a change in rates and charges and does not propose any of the following:
 - a. A change in an existing adjustor or surcharge mechanism;
 - b. Adoption of a new adjustor or surcharge mechanism, unless incorporating a charge or charges otherwise previously approved by the Commission; or
 - c. Adoption of a new hook-up fee or another new type of fee;
11. The cooperative's rate application does not propose a rate structure change or a non-price tariff change;
12. The cooperative's rate application does not request financing approval or other approvals and does not request consolidation with another docket;
13. The customer notice provided by the cooperative conformed to the requirements of subsection (D) and was approved by Staff;
14. For a distribution cooperative, the objections timely submitted by the cooperative's customers represent no more than 5% of all customer accounts or no more than 1,000 customer accounts, whichever is fewer; and
15. For a generation or transmission cooperative, no member distribution cooperative has filed a timely objection to the application, and the objections timely submitted by retail customers served by member distribution cooperatives represent no more than 3,000 customer accounts.

C. Pre-Filing Requirements. Before filing a rate application under this Section, a cooperative shall:

1. Analyze the cooperative's eligibility under subsection (B);
2. Submit to Staff, in both hard copy and electronic (with formulae intact) formats, a Request for Pre-Filing Eligibility Review, which shall include a draft application including the items and information described in subsections (E)(1) through (6), a copy of the Proposed Form of Notice to be sent to the cooperative's customers, and a Proposed Form of Recommended Order;

3. No sooner than 30 days after the date Staff receives the Request for Pre-Filing Eligibility Review, meet with Staff to discuss the cooperative's eligibility under subsection (B) and any Staff modifications to the Proposed Form of Notice;
4. After meeting with Staff, if the cooperative decides to pursue a rate application under this Section, file a Request for Docket Number and Proposed Form of Notice for Staff approval; and
5. At least 20 days before filing a rate application under this Section, provide Notice of the application, conforming to the requirements of subsection (D) and as approved by Staff, as follows:
 - a. If a distribution cooperative, by sending the Notice, by First Class Mail, to each of the cooperative's customers; and
 - b. If a generation or transmission cooperative, by publishing the Notice in at least one newspaper of general circulation in the service territory of each member distribution cooperative served and by sending the Notice, by First Class Mail, to each member distribution cooperative served.

D. Notice Requirements. A cooperative shall ensure that the Notice sent as required under subsection (C)(5) is in a form approved by Staff and that it includes, at a minimum, all of the following:

1. The cooperative's name and contact information;
2. The docket number assigned to the cooperative's rate application proceeding;
3. A summary of the rate relief requested by the cooperative in its rate application;
4. For a distribution cooperative, the monthly bill impact to a residential customer with average usage and to a residential customer with median usage if the requested rate relief were granted by the Commission;
5. For a distribution cooperative, the monthly bill impact to a residential customer with average usage and to a residential customer with median usage if the cooperative were granted rate relief equal to a 6% increase of the actual test year total base revenue;
6. For a generation or transmission cooperative, the estimated rate and revenue impact to each member distribution cooperative served if the requested rate relief were granted by the Commission;
7. Instructions for viewing or obtaining filed documents;
8. Information regarding the Commission's process under this Section;

9. The deadline to file intervention requests and objections, which shall be a date no earlier than 30 days after the date Notice is mailed to customers;
10. Instructions for requesting intervention and submitting objections; and
11. Information regarding disability accommodations.

E. Filing Requirements. No later than 50 days after completing the provision of Notice as required by subsection (C)(5), a cooperative may file in the assigned docket a rate application under this Section, which shall include the following:

1. The legal name of the cooperative and identification of the test year;
2. A waiver of the use of reconstruction cost new rate base to determine the cooperative's fair value rate base;
3. A copy of the most recent certified annual financial and statistical report submitted by the cooperative to a federal agency, such as RUS or FERC, or an established national non-profit lender that specializes in the utility industry, such as CFC or CoBank;
4. A copy of audited financials for the cooperative, for a period ending no earlier than 9 months before the beginning of the test year;
5. The information listed in the table in R14-2-103(B)(1) for Schedules A-1, A-4, and A-5, which shall be submitted in the format provided in Appendix Schedules A-1, A-4, and A-5;
6. The information listed in the table in R14-2-103(B)(1) for Schedules B-2, B-5, C-1, C-2 (if applicable), C-3 (if a taxable entity), D-2, E-1, E-2 (with the same year-ending date as the test year and the same level of detail as shown for the test year in Schedule C-1), E-5 through E-7, E-8 (if a taxable entity), E-9, F-1, F-2, F-3, F-4, and H-1 through H-5, which:
 - a. Shall be included on schedules labeled consistently with and containing the substantive information corresponding to the Appendix Schedules,
 - b. Shall conform to the instructions and notes contained on the corresponding Appendix Schedules,
 - c. May be submitted in the format provided in the Appendix Schedules or formatted in an alternate manner, and
 - d. May omit information that is not applicable to the cooperative's operations;
7. A copy of the Notice sent and, if applicable, published, as required under subsection (C)(5); and

8. Proof that the Notice was sent and, if applicable, published, as required under subsection (C)(5), at least 20 days, and no more than 50 days, before the date the rate application is filed.

F. Pre-Eligibility-Review Objections and Requests. Any person desiring to object to the cooperative's rate application or to request intervention in the cooperative's rate case shall file an objection or request no later than the date specified in the Notice provided pursuant to subsection (C)(5).

G. Late Objections. In determining the cooperative's eligibility to proceed with its rate application under this Section, Staff shall not consider any objection that is filed after the deadline in the Notice provided pursuant to subsection (C)(5).

H. Eligibility and Sufficiency Review. Within 14 days after the deadline for objections and intervention requests specified in the Notice provided pursuant to subsection (C)(5), Staff shall:

1. Review the cooperative's rate application, along with any objections timely filed under subsection (F), to determine whether the cooperative is eligible, under subsection (B), to pursue its rate application under this Section;
2. File either a Notice of Eligibility or a Notice of Ineligibility;
3. If the cooperative is eligible, complete the following:
 - a. Conduct a sufficiency review of the cooperative's rate application;
 - b. Determine whether the rate application complies with the requirements of subsection (E); and
 - c. File either a Notice of Sufficiency that classifies the cooperative as provided in R14-2-103(A)(3)(g) or a Notice of Deficiency that lists and explains each defect in the rate application that must be corrected to make the rate application sufficient.

I. Eligibility and Sufficiency Determinations. Staff's determinations of eligibility, ineligibility, sufficiency, and deficiency are final and are not Commission decisions or Commission orders under A.R.S. §§ 40-252 and 40-253.

J. Request for Processing under R14-2-103. Within 30 days after a Notice of Ineligibility is filed, a cooperative may file a Request for Processing under R14-2-103. If a cooperative files a Request for Processing under R14-2-103, all further activity under this Section shall cease, and the cooperative's rate application shall be deemed a new rate application, filed under R14-2-103, on the date the Request for Processing under R14-2-103 is filed.

K. Docket Closure. If a Request for Processing under R14-2-103 is not filed within 30 days after a Notice of Ineligibility is filed, the Hearing Division shall issue a procedural order administratively closing the docket.

L. Action on Notice of Deficiency. After Staff files a Notice of Deficiency:

1. The cooperative shall promptly address each defect listed in the Notice of Deficiency and file all necessary corrections and information to bring the rate application to sufficiency; and
2. Within 14 days after receiving the cooperative's corrections and information, Staff shall again take the actions described in subsections (H)(3) through (5).

M. Substantive Review and Staff Report. After Staff files a Notice of Sufficiency, Staff shall:

1. Conduct a substantive review of the rate application;
2. Prepare a Staff Report that shall include Staff's recommendations and may include a Request for Hearing that complies with subsection (O);
3. If including a Request for Hearing, file the Staff Report within the following number of days after the Notice of Sufficiency is filed:
 - a. If the cooperative is a Class A utility, 100 days;
 - b. If the cooperative is a Class B utility, 100 days; and
 - c. If the cooperative is a Class C utility, 75 days; and
4. If not including a Request for Hearing, file the Staff Report and a Recommended Order within the following number of days after the Notice of Sufficiency is filed:
 - a. If the cooperative is a Class A utility, 120 days;
 - b. If the cooperative is a Class B utility, 120 days; and
 - c. If the cooperative is a Class C utility, 95 days.

N. Responses to Staff Report. Within 10 days after Staff files a Staff Report:

1. The cooperative shall file a Response to the Staff Report, which may include a Request for Hearing that complies with subsection (O) or a Request for Withdrawal; and
2. Each intervenor shall file a Response to the Staff Report, which may include a Request for Hearing that complies with subsection (O).

O. Request for Hearing. A Request for Hearing shall include, at a minimum, an explanation of the requesting party's reasons for believing that an evidentiary hearing should be held; a summary of each issue on which the party believes evidence should be provided; and a recitation of the

witnesses and documentary evidence that the requesting party believes could be produced to provide evidence on each issue.

- P.** Action on Request for Hearing. The Hearing Division shall rule on each Request for Hearing and may require party responses, including oral argument, or other proceedings at its discretion in considering a Request for Hearing. If a hearing is granted, the Hearing Division shall preside over all further proceedings in the case.
- Q.** Action on Request for Withdrawal. The Hearing Division shall rule on each Request for Withdrawal and may require party responses, including oral argument, or other proceedings at its discretion in considering a Request for Withdrawal. If withdrawal is granted, the Hearing Division shall issue a procedural order administratively closing the docket.
- R.** Requirement for Service. A party that files a document under this Section shall also serve a copy of the document on each other party to the case, by a method conforming to the requirements of A.A.C. R14-3-107(B) and (C).
- S.** Revenue Increase Cap. No Commission decision issued under this Section shall increase a cooperative's base revenue by more than 6% of the cooperative's actual test year total base revenue.